



April 7, 2006

25253 LANKFORD HWY • P O BOX 920 • ONLEY, VIRGINIA 23418-0920

Jennifer J. Johnson, Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street & Constitution Avenue, N.W.

RE: FRB Docket No. OP-1246, Proposed Interagency Guidance on Concentrations in Commercial Real Estate; 71 Federal Register 2302; January 13, 2006

Dear Ms. Johnson:

I would like to take this moment and comment on the proposed FRB Docket No. OP-1246. Being in the banking industry for over 20 years with Shore Bank, I have seen a lot of changes with portfolio concentrations. There are so many types of commercial loans and it varies even more throughout different communities. In our community alone we have poultry farmers, rental property, retail stores, physicians' offices, land development, construction loans to contractors as well as home owners, lines of credit and many more.

Commercial loans need to be defined as non-owner and non-consumer purpose real estate. Loans to finance 1-4 family residential construction to contractors with a contract in place (a custom home) should be excluded. All loans directly to consumers for the construction of a primary residence should be excluded. These are residential not commercial and low risk to the bank. Definitions should always be based on purpose not collateral. A lot of community banks like Shore Bank take a conservative approach to commercial lending, so why punish all the community banks.

In conclusion, please reconsider these various types of definitions and restrictions to be placed on community banks like us, it will limit our growth, and have a negative impact on our bank's future as well as our local communities.

Sincerely,

A handwritten signature in cursive script that reads 'Tammy V. Mason'.

Tammy V. Mason  
Vice President/Loan Officer